

Planned Giving Basics
Thursday, September 22, 2011

SUPPLIMENTAL INFORMATION & TRIVIA

In the course of putting the presentation together, Eitland, gleaned some additional information that might be useful related to planned giving.

Number of active estates in Grand Traverse County:

Factoid: On December 31, 2009 there were 252 active Estate and Trust Cases in Grand Traverse County. Estimated average size was between \$50,000 - \$350,000. The low was \$5,000 and the high was \$1.2 million. *Grand Traverse County Probate Court Staff, 3/18/11 & Michigan State Courts Published Summary Reports.*

Assets in an estate:

Factoid: 2009 Assets based on Gross Estates:

<http://www.irs.gov/pub/irs-soi/09esassetsstate.pdf>

Gift Acceptance Policy:

Sample Gift Policy - <http://www.mvnu.edu/univadv/GiftAcceptance.pdf>

- Any planned giving tool must be used to fulfill the donor's need to give and in consideration of any future financial need of the donor.
- Any planned giving tool must be thoroughly understood by the donor and any of their financial, tax, and legal professionals. Concrete examples and illustrations are necessary before any tool is used.
- Tools are used to "build" the donor's philanthropic plan and in the donor's best interest to fulfill their need to give to the charity.

Ethical Standards:

- Any planned giving tool must be used to fulfill the donor's need to give and in consideration of any future financial need of the donor.
- Any planned giving tool must be thoroughly understood by the donor and any of their financial, tax, and legal professionals. Concrete examples and illustrations are necessary before any tool is used.

- Tools are used to “build” the donor’s philanthropic plan and in the donor’s best interest to fulfill their need to give to the charity.

When in doubt, ask ...

http://www.pppnet.org/ethics/model_standards.html

Deductability:

Cash is the easiest gift and provides the maximum deductions.

- 50% of AGI with 5 year carry over*
- 30% of AGI with appreciated assets (securities)*

Intestate Estates and Michigan Law:

Donor gives cash. Provides immediate benefit to charity

- 55% - 60% of Americans do not have a will.
- [http://www.legislature.mi.gov/\(S\(ung5pv252hw50h45vjc0uw55\)\)/mileg.aspx?page=getObject&objectName=mcl-700-2102](http://www.legislature.mi.gov/(S(ung5pv252hw50h45vjc0uw55))/mileg.aspx?page=getObject&objectName=mcl-700-2102)
- [http://www.legislature.mi.gov/\(S\(ung5pv252hw50h45vjc0uw55\)\)/mileg.aspx?page=getObject&objectName=mcl-700-2103](http://www.legislature.mi.gov/(S(ung5pv252hw50h45vjc0uw55))/mileg.aspx?page=getObject&objectName=mcl-700-2103)
- For the sake of charity we have to get people to write wills!

Charitable Gift Annuity Example:

An Example -- Charitable Gift Annuities

- Donor gives a gift (\$25,000). Can run 1 or 2 life-times
- Charity guarantees income for life time to donor in an contract
- Donor gets up-front donation receipt, portion of payout is taxed as ordinary income, part comes back as tax free return of donor’s principle
- Most charities use American Council on Gift Annuities which assumes 50% will eventually come back to charity.
- Michigan has little regulation on CGAs.

Other Giving Tools:

- Charitable Bargain Sales
 - Donor sells property at reduced FMV, receives deduction for balance and cash for the property
 - Charity can use property or sell for cash.
- Charitable Lead Trust
 - Allows for the passing of a property to relatives at a reduce or avoid gift and estate tax.
 - Donor transfer property to Lead Trust that generates income to a charity for a fixed time

- After a time period Trust transfers the remainder of the property to donor or family.

Sample web sites:

Ad: <http://bit.ly/hiUSIb>

http://www.clubgift.org/plgive_wills.jsp?WebID=GL2007-0850

<http://www.kpbs.org/give/planned-giving/>

http://purdue.giftlegacy.com/plgive_main.jsp?WebID=GL2007-0825

<http://www.rotary.org/en/contribute/waystogive/plannedgiving/pages/ridefault.aspx>

<http://www.stelter.com/site/index.jsp> Thanks!

<http://www.plannedgiving.com/> Thanks!

<http://www.pppnet.org/resource/resource.html> PPP

<http://www.crescendointeractive.com/> Software/Info

<http://www.pgcalc.com/index.htm> Software/Info

<http://ptec.com/pp/solutions-planned-giving/4155> Software

<http://www.pgdc.com/host/planned-giving-design-center-llc/overview>
ultimate technical resource for PG

<http://www.acga-web.org/> Everything about CGAs

<http://www.sharpenet.com/> Sharpe Group – PG resources

<http://www.liebertpub.com/products/product.aspx?pid=235> Planned
Giving Today newsletter

*Note: information only current as of the date of publication.
Information and websites may change without notice.*